

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Iowa Administrative Code.

These amendments extend the primary care physician (PCP) rate increase required by the Health Care and Education Reconciliation Act of 2010 (HCERA), Section 1202 (Public Law 111-152) (42 U.S.C. § 1396a(a)(13)(C)), that sunsets on December 31, 2014, and that allows qualified PCPs to receive the greater of the Medicare rate or Medicaid rate for a specified set of medical payment codes. These amendments “freeze” the Medicare rate in effect in 2014. Qualified PCPs will be paid the greater of the annual Medicaid rate or the 2014 Medicare rate for the specified codes.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 1617C** on September 3, 2014.

The Department received comments from one respondent during the comment period. Those comments and the Department’s response are as follows:

Comment: The respondent expressed strong support for Iowa’s decision to extend the Medicaid primary care payment increase. The respondent cited burdens to providers and members that would occur if Iowa had not chosen to continue this payment increase.

Response: As the respondent did not request that the proposed amendments be revised, no changes have been made to the amendments.

These amendments are identical to those published under Notice of Intended Action.

The Council on Human Services adopted these amendments on October 8, 2014.

These amendments do not provide for waivers in specified situations because requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

According to the Centers for Medicare and Medicaid Services, “the overall benefit of this rule is the expected increase in provider participation [in Medicaid] by primary care physicians resulting in better access to primary and preventive health services by Medicaid beneficiaries.” 77 Fed. Reg. 66670 (Nov. 6, 2012). On that basis, there will continue to be a positive impact on private-sector jobs and employment opportunities for primary care physicians and associated personnel.

These amendments are intended to implement Iowa Code section 249A.4.

These amendments will become effective January 1, 2015.

The following amendments are adopted.

ITEM 1. Amend subrule **79.1(2)**, “Physicians (doctors of medicine and osteopathy)” provider category, as follows:

Provider category	Basis of reimbursement	Upper limit
Physicians (doctors of medicine or osteopathy)	Fee schedule. See 79.1(7)“a”	Fee schedule in effect 6/30/13 plus 1%.
Anesthesia services	Fee schedule	Fee schedule in effect 6/30/13 plus 1%.
Physician-administered drugs	Fee schedule	Fee schedule in effect 6/30/13 plus 1%.
Qualified primary care services furnished in 2013 or 2014	See 79.1(7)“c”	Rate provided by 79.1(7)“c”

ITEM 2. Amend paragraph **79.1(7)“c”** as follows:

c. *Payment for primary care services ~~furnished in 2013 or 2014~~*. To the extent required by 42 U.S.C. § 1396a(a)(13)(C), primary care services furnished in calendar ~~years~~ year 2013 or 2014 by a qualified primary care physician or under the supervision of a qualified primary care physician shall be

paid as provided pursuant to subparagraphs (1) to (4) and (6) of this paragraph (79.1(7) “c”). Primary care services furnished on or after January 1, 2015, by a qualified primary care physician or under the supervision of a qualified primary care physician shall be paid as provided pursuant to subparagraphs (1) to (3), (5), and (7) of this paragraph (79.1(7) “c”).

(1) to (3) No change.

(4) Primary care services rendered in calendar year 2013 or 2014. Primary care services rendered in calendar year 2013 or 2014 that are eligible for payment pursuant to this rule shall be paid at the greater of:

1. to 3. No change.

4. If there is no applicable rate under Medicare Part B, the rate specified in a fee schedule established and announced by the federal Centers for Medicare and Medicaid Services, pursuant to 42 CFR § 447.405(A)(a)(1).

(5) Primary care services rendered on or after January 1, 2015. Primary care services rendered on or after January 1, 2015, that are eligible for payment pursuant to this rule shall be paid at the greater of:

1. The otherwise applicable Iowa Medicaid rate;

2. The applicable rate under Medicare Part B in effect for services rendered on January 1, 2014;

3. The rate that would be applicable under Medicare Part B, in effect for services rendered on January 1, 2014, if the conversion factor under 42 U.S.C. § 1395w-4(d) were the conversion factor for 2009; or

4. If there is no applicable rate under Medicare Part B, the rate specified in a fee schedule established and announced by the federal Centers for Medicare and Medicaid Services, pursuant to 42 CFR § 447.405(a)(1), and in effect on June 30, 2014.

~~(5)~~ (6) Notwithstanding the foregoing provisions of this paragraph (79.1(7) “c”), payment for the administration of vaccines provided under the Vaccines for Children Program in calendar years year 2013 or 2014 shall be limited to the lesser of:

1. The regional maximum administration fee under the Vaccines for Children Program; or

2. The applicable Medicare fee schedule rate for HCPCS code 90460 (or, if higher, the Medicare fee schedule rate for HCPCS code 90460 that would apply if the conversion factor under 42 U.S.C. § 1395w-4(d) were the conversion factor for 2009).

(7) Notwithstanding the foregoing provisions of this paragraph (79.1(7) “c”), payment for the administration of vaccines provided under the Vaccines for Children Program on or after January 1, 2015, shall be the lesser of:

1. The regional maximum administration fee under the Vaccines for Children Program in effect on June 30, 2014; or

2. The applicable Medicare fee schedule rate in effect on June 30, 2014, for HCPCS code 90460 (or, if higher, the Medicare fee schedule rate for HCPCS code 90460 rate that would apply if the conversion factor under 42 U.S.C. § 1395w-4(d) were the conversion factor for 2009).

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 10/29/14.